

FULLY EXECUTED

State Contract #00-T2078 A-1

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

AMENDMENT #1
STATE SUPERFUND CONTRACT
SLICKROCK CREEK RETENTION RESERVOIR
at the
IRON MOUNTAIN MINE
between
THE STATE OF CALIFORNIA AND
THE ENVIRONMENTAL PROTECTION AGENCY

This State Superfund Contract Amendment #1 amends the State Superfund Agreement signed by the Environmental Protection Agency, by the California Department of Toxic Substances Control and approved by the California Department of General Services on December 12, 2000.

Appendix A has been replaced with Revised Appendix A, which is attached and made a part hereof.

Section 2 in the State Superfund Contract is replaced with the following:

Pursuant to §104(c) of CERCLA, 42 U.S.C. 9604(c), the United States Environmental Protection Agency ("EPA") and the Department of Toxic Substance Control ("DTSC"), on behalf of the State of California (the "State"), enter into this Contract to document the responsibilities of EPA, as the lead agency, and the State, as the support agency, during the interim remedial action, as set forth in the 1997 Interim Record of Decision ("ROD4") and the Statement of Work ("SOW") attached as Revised Appendix A, at the Iron Mountain Mine (IMM) Superfund Site, CAD 980498612 (the "Site"), including basic purpose, scope and administration of this Contract. The Governor of California has designated DTSC to represent the State with respect to EPA-lead response actions, including the interim remedial action at the Site pursuant to 40 CFR § 300.180. The parties acknowledge and agree that this Contract is intended to obtain the required CERCLA assurances pursuant to §§104(c)(3), 104(c)(9), and 104(j) of CERCLA, as amended, 42 U.S.C. §§ 9604(c)(3), 9604(c)(9), and 9604(j), and to document State involvement in the remedial action process, pursuant to §121(f) of CERCLA, as amended, 42 U.S.C. §9621(f), and §300.515(g) of the NCP, 40 C.F.R. §300.515(g), to the extent applicable. This Contract addresses the interim remedial action selected in ROD4 to remediate the Slickrock Creek area source acid mine drainage (AMD) discharges at the Site, as set forth in ROD4 and the Statement of Work, and which includes a retention dam within the Slickrock Creek drainage, a clean water diversion system, hematite control work, and other necessary facilities related to this project. Attached hereto as Revised Appendix A is a site-specific Statement of Work that indicates the tasks to be performed in accordance with this Contract for this interim remedial action and includes estimated costs.

Section 4, second paragraph, in the State Superfund Contract is replaced with the following:

This Contract is entered into by EPA and DTSC in the context of a settlement of liabilities for the IMM Site with Aventis CropSciences USA, Inc. (Aventis), formerly Rhone-Poulenc, Inc. The Consent Decree (CD) settling the litigation for the IMM Site was entered by the Court on December 8, 2000. As part of the settlement, the State's insurer made a payment into an escrow account on behalf of the State and is expected to make an additional payment of \$1 million in the near future. On March 12, 2001 the State directed \$4 million of the escrowed funds to be paid to the IT Group. The State expects to direct the State's insurer to make an additional \$1 million payment to the IT Group for this work in the near future. These funds are to be used by the IT Group to perform work in the Richmond adit at IMM, on behalf of the State. This work shall establish credit for the State that can be used to offset the 10% match for the work described in this contract. The IT Group has provided the State with a performance bond for \$5 million which will allow the bonding agent or the State to contract with another contractor if the IT Group is unable to perform the work and establish the credit. EPA and the State expect that operation and maintenance of the remedy constructed under this contract will be financed by the proceeds of the Iron Mountain Mine settlement.

Section 9, first sentence, in the State Superfund Contract is replaced with the following:

The date of award for the remedial action subcontract for this work under the SOW at the Site is expected to be May 2001.

Section 16.A, first paragraph, in the State Superfund Contract is replaced with the following:

The estimated cost of the construction of the project described in the SOW attached as Revised Appendix A is \$25,343,910 (excluding EPA's indirect and intramural costs). This estimate is derived from the final design cost estimate, and includes contingencies and construction management services. Based on the foregoing, the State's cost share for the construction of the work to be performed under this contract presently is estimated to be \$2,534,391.

Section 16.A, second paragraph, in the State Superfund Contract is replaced with the following:

The State's cost share for the construction of the project described in the SOW attached as Revised Appendix A shall be provided from funds received from the State's insurers as part of the settlement of the Iron Mountain Mine litigation (see Section 16(c) below). The State and EPA expect that the cost of operation and maintenance will be provided through the CD and the settlement of liabilities with Aventis pursuant to Paragraph 4 of this contract.

Section 16.A, sixth paragraph, in the State Superfund Contract is replaced with the following:

EPA and the State expect that the State's cost for the start-up/shake-down period, and future operations and maintenance costs will be provided by proceeds from settlement under the Consent decree defining the settlement of liabilities with Aventis for the IMM site.

Section 16.B.i, second paragraph, sixth sentence in the State Superfund Contract is replaced with the following:

The State assures payment of its cost share obligation for actual interim remedial action costs at the Site, which shall be settled at the reconciliation pursuant to Paragraph 32 below, and shall not exceed \$2,534,391 for construction.


Section 16.C, in the State Superfund Contract is replaced with the following:

CERCLA credit shall be applied to offset the State's cost-share requirements in this Contract. Credits are limited to site-specific expenses that EPA determines to be reasonable, documented, direct, extra-mural, out-of-pocket expenditures of non-federal funds that have not been previously applied or reimbursed. In the context of the recently entered consent decree, the State has directed a payment of \$4 million to the IT Group to construct the Richmond Mine workings upgrades. The State expects to direct an additional payment of \$1 million to the IT Group for this work in the near future. The expected cost of the Richmond Mine workings remedial action is \$5,000,000, and is expected to commence in May 2001. Subject to verification and final audit pursuant to 40 CFR part 35.6285, the State shall be able to declare credit based upon the progress of the work for actual amounts paid to the IT Group for the construction of this remedial action component of the IMM remedial action to the full extent of the valuation of the work completed.

All other terms and provisions shall remain unchanged.

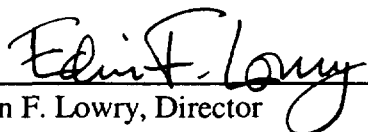
In witness whereof, the parties hereto have executed this contract amendment.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

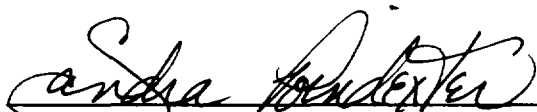


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MAY 14 2001

REVISED APPENDIX A
STATEMENT OF WORK
IRON MOUNTAIN MINE
SLICKROCK CREEK RETENTION RESERVOIR

DESCRIPTION

This Statement of Work provides for the construction and construction management of the remaining components of the interim remedial action selected in the September 1997 Record of Decision (ROD4) to remediate the Slickrock Creek area source acid mine drainage (AMD) discharges at the Iron Mountain Mine Superfund site.

This Statement of Work provides for the construction and construction management for the following components:

- construction of a retention dam and necessary surface water diversion facilities,
- construction of the hematite pile controls and access roadway improvements,
- construction of one or more sedimentation basins, and
- construction of facilities to divert water around the disturbed mining area.

The construction of these components shall be performed in accordance with the approved remedial design. The remedial design is incorporated by reference into this Statement of Work.

The budget amounts estimated for construction of these components of the IMM ROD4 remedial action and for construction management are listed in Table 1 that follows. Table 1 is formatted to reflect the organization of the draft CH2M Hill remedial action work plan. EPA will provide the DTSC State Project Manager a copy of the remedial action work plan as soon as it has been approved by EPA.

TABLE 1

Task:	Cost:
Task1 - Project Planning (includes work plan, and overall project management)	\$175,776
Task 2 - Community Relations (no activity under this work assignment)	
Task 3 - Site Plans (Construction Management Plan, Site Management Plan, Pollution Control & Mitigation Plan)	\$25,414
Task 4 - Procurement of Subcontractor	\$40,374
Task 5 - Subcontract Management Support	\$825,915
Task 6 - Detailed Resident Inspection	\$922,779
Task 7 - Clean-up Validation	\$247,800
Task 8 - Remedial Action Implementation	
Subcontract	\$18,298,845
15 % contingency reserve	\$2,744,827
10% bid contingency	\$1,829,885
Task 9 - Project Performance	\$52,992
Task 10 - Project Completion (includes items such as final inspection, demob, etc.)	\$179,303
	TOTAL
	\$25,343,910
10-year O&M	\$500,000